

# Brief Notes

News for  
Brokers and Consultants

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**Applies to:** All markets

## How You Could Get Hit With a Surprise Medical Bill: One in three American adults has faced them

*This week's TIME magazine feature, The Hidden Cost of Surprise Medical Bills, describes the problem of unexpected medical bills, the causes and solutions. An excerpt appears below. Read the entire article at [Time.com](http://Time.com).*

Surprise medical bills happen most often when a hospital contracts with medical providers — including doctors, surgeons, anesthesiologists, lab technicians — that do not accept the same insurance plans that the hospital does. That means that patients (like Elfrank-Dana) can walk into an in-network hospital, see an in-network doctor, and suddenly find himself on the hook for thousands of dollars anyway, just because he inadvertently received care from a provider, such as a lab technician or physician, who was out-of-network.

Surprise medical bill are especially common in emergency rooms and surgical theaters. Often, a patient will go in for a procedure with an in-network surgeon at in-network hospital, but then wake up from anesthesia to discover that, at some point, an out-of-network physician had popped into the room to provide a consultation or help with the surgery. And when that happens? Boom: the patient receives an out-of-network bill.

The whole problem of “surprise medical bills” arises from the convoluted way that medical billing works in this country. As it is, an insurance company, like Emblem or Blue Cross Blue Shield, negotiates a set of repayment rates with hospitals and medical providers, which they then list as “in network.” If a hospital or physicians group refuses to accept the insurance company’s repayment rates — often because they’re too low — then those providers are listed as “out-of-network.”

But here’s where it gets complicated. Often times, an insurance company will successfully negotiate with a *hospital*, but the hospital will then turn around and sign a sole contract with a group of, say, anesthesiologists or surgeons, who do not accept that same type of insurance.

*Continue reading at [Time.com](http://Time.com).*



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